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VOLUME LXIII, NUMBER 19268

TUES, 1998

NEWS AND RELATED SERVICES

WORLD OF SPORT
JACKON - RILEY
feud goes on
It's ALL in the
WORLD OF SPORT
TODAY

Search on for two suspected suicide bombers on the loose

JON IMMANUEL and news agencies

TWO Palestinians suspected of planning suicide attacks have gone underground and are trying to sneak into Israel, Palestinian security officials said yesterday.

The Palestinian Police have set up roadblocks in areas under their control to try to find the two and have passed on the warnings to Israeli intelligence, said Jihad Abu Ammar, a Palestinian security official in Hebron.

The two suspected terrorists missing from their homes were identified as Hamas activists Majed Qassiyeh, 20, and Saadi Attal, 21, Abu Ammar said. He said the two were from the village of Dhahiriya, south of Hebron, and have been missing for three days.

Family and acquaintances of the two, who fled without a word after mosque prayers on Friday, said

they did not think they were suicide bomber types and downplayed their links with Hamas. However, Dhahiriya has a history of association with Islamic militants and the bomber on the bus in Ramat Eshkol in August last year came from the town.

Dhahiriya also is not far from Fawwar refugee camp, where the two February 25 suicide bombers lived.

Overnight Sunday, the IDF arrested 11 suspected terrorists in Dhahiriya. An IDF statement said it was part of ongoing IDF operations in the territories to arrest activists suspected of belonging to and supporting hostile organizations.

Item adds:
The remand of Zohari Khalil Ita, 24, of the Jehalya refugee camp, suspected of belonging to Islamic (Continued on Page 9)

IDF rejects UN claim of deliberate shelling of Kana

MARILYN HENRY, DAVID RUDGE, ARIEH O'SULLIVAN and news agencies

The IDF did not intentionally target the UN position in Kafr Kana, Chief Artillery Officer Brig-Gen. Dan Harel told the UN yesterday. He blamed the deaths of more than 100 civilians on human and technical errors in the heat of battle.

Harel flew to New York to brief UN officials on the April 18 incident, after UN military investigators tentatively concluded that the attack was intentional.

The UN report is to be submitted to the Security Council soon. It is based on the findings of the UN inquiry, which involved on-the-spot investigations, meetings with UNIFIL soldiers, and senior IDF staff, and the videotape recorded taken at the time of the shelling by a UNIFIL soldier in a post overlooking the camp, some 300 meters away.

The amateur videotape has reinforced claims that the camp was purposely targeted. It shows a series of puffs of smoke emerging from the base, indicating shells hitting.

UNIFIL spokesman Timor Goksel said the tape shows "the shelling is not one or two rounds that overshoot, as we've been told for the past two weeks... but that it was a targeted shelling."

Harel unequivocally denied this.

"There was shooting from near the Kana base with a mortar and Katyushas toward one of our units," he said. "We shoot back.

We didn't know at the time that the Hizbullah people were running inside or outside the camp or from the camp. So we didn't have any initiative to fire on the camp."

Harel said that even if the IDF had seen Hizbullah terrorists seeking shelter in the camp, "we wouldn't shoot at it. This is a UN camp, and we put parameters of safety around each and every UN compound in south Lebanon when the operation was going on."

He said deliberate firing at a UN camp would have been "out of the question."

Israeli officials said Harel had brought aerial photographs and technical data, including logs of the two batteries that fired the shells, in an attempt to convince the UN that the attack was an accident. They said mistakes in calculating range and the weight of the projectiles were responsible for rounds "landing short" by about 200 meters.

The findings of the UN investigation contradict the conclusions of the IDF inquiry on several key points, especially in terms of the direction and pattern of the firing and the number of shells which hit the camp.

The IDF inquiry found that two shells, hit structures in the UN base and up to five may have fallen within the compound.

According to the UN report, however, no less than 17 shells, some of them air bursts which explode several meters from the ground, hit the UNIFIL complex.

The shelling, according to the IDF investigation, came about as a result of miscalculations, including inaccurate measurements of the UN base itself and its precise location on IDF maps of the region.

"Even if they really did not know about the civilians in the base, this does not give anybody the right to shell a UN base with non-combatants inside," Goksel said.

A UN source, who has screened the video recording, said that the film clearly shows the impacts of the shells on the camp itself.

"The most important part of this video is that it shows that the headquarters was clearly targeted and that the [IDF] claim that it was hit by just two stray shells is totally false," said the source.

"When the information from the film is collated with the craters caused by the impacts on the ground, it shows that 17 shells fell within the compound."

The video also clearly shows that an unmanned aircraft was above Kana at the time of the shelling. The IDF at first maintained that no drones had been sent up that day, because of bad weather.

On Sunday, however, Deputy Chief of General Staff Maj.-Gen. Matan Vilna confirmed that a drone was operating over the region. But he said it was on a different mission and could not focus on Kana due to the bad weather. He said that once the reports of the bombardment of (Continued on Page 2)



Heads of the Israeli and Palestinian negotiating teams in Taba, Uri Savir (left) and Mahmoud Abbas, share a secret during yesterday's meeting. Story, Page 2 (Reuter)

Peres: Parties supporting our guidelines welcome to join my government

MICHAEL YUDELMAN and SARAH HONG

IF Prime Minister Shimon Peres wins the election, he will invite all the parties which support Labor's policies to join his coalition.

Peres said he has no intention of losing, but if Likud leader Benjamin Netanyahu is elected prime minister, he would not join his government.

Commenting on Netanyahu's reported plan to propose a national unity government if he wins, Peres quoted the Bible: "Let not him that girdeth on his harness boast himself as he that putteth it off." (1 Kings 20:11)

"There are things which one does only after the elections, not before them," Peres added.

Asked about the possibility of setting up a national unity government, Peres said he would accept any party which accepts his policies "and I will be very happy if the Likud joins the coalition on the basis of the Oslo agreements. But not Oslo deluxe, not Oslo minus, or a narrow interpretation of the agreements."

Netanyahu denied reports that he intends to announce that should he win, he will form a national unity government, as *Yedioth*

Aharonot reported yesterday. However, he did not rule out that "under certain circumstances such a government might be formed."

He also said that should he win, he "will consider any party which will be ready to support our platform for coalition membership. This, of course, will be done only after consultation within the Likud and with its partners, as well as with our allies in the religious sector."

Communications Minister Shulamit Aloni of Meretz came out sharply against a national unity government, calling it "a national paralysis government." She said she did not believe Meretz would take part in such a government.

"I will not be a member of the next government, but as a citizen, I object strongly to this false unity," she said. "We've already experienced this kind of government and saw how nothing moved. It's vital in a democracy to have an opposition, although I regret to say that the opposition here in the past few years did not behave like an opposition in a democratic state, but as an enemy of the government."

Netanyahu, Peres sharpen debating skills on 'Popolitika'

SARAH HONG

PRIME Minister Shimon Peres did not rule out seeking another term, and Likud leader Benjamin Netanyahu promised he would put together "a very interesting government, with many surprises, including who the defense minister will be." Both contestants exuded confidence in separate interviews aired on Channel 1's *Popolitika* last night.

It was the closest the two candidates for prime minister have thus far come to a debate. They will face off directly on May 26. Until last night, Peres had boycotted all radio and TV programs on which Netanyahu was also invited to speak, and made the granting of interviews conditional on Netanyahu not being interviewed as well.

Neither candidate will be able to appear on regular TV programming as of tomorrow, when the parties' campaign broadcasts will debut.

Peres told the *Popolitika* team that he "does not guarantee this will be my last term. I am sure I will be elected. Though like [Charles] de Gaulle, I also promise not to forget to do some

day."

Netanyahu, too, was confident he would win, and said "the Likud's polls show we are significantly ahead." He said he has "half a dozen candidates for defense minister, and five of them will be surprised by my choice."

He denied that he is seeking to allay the floating voters' fear of the Likud's generals. "The generals in the Likud are excellent assets who would be the feather in any party's cap."

Both candidates insisted they are not blurring distinctions, and the differences between the sides are marked.

Peres said that "unlike the Likud, we do not regard autonomy as an end goal, but as a way station. We will negotiate with the Palestinians about the final status, but there is no need to go into details and promise things now. We will bring it all to a referendum later."

"The first thing I will do after I am elected will be to renew the peace process with the Palestinians and the Syrians. I believe that in the next four years we will (Continued on Page 2)

TA, Jerusalem police chiefs both abroad at 'sensitive time'

RAINE MARCUS

SENIOR police officers yesterday expressed surprise that the police chiefs of Tel Aviv and Jerusalem are both abroad at such a sensitive time.

Candrs. Gabi Lask, of Tel Aviv, and Arye Amir, of Jerusalem, left for a conference in New York this week together with their respective mayors, Ronni Milo and Ehud Olmert.

The two major city police chiefs are abroad exactly at the

time when the security services are issuing warnings of imminent terror attacks, including those organized by Iran," said one officer.

Another police source said that "it doesn't look good that two senior police officers have traveled with two mayors who don't hide their political affiliation. The whole trip is a little sensitive."

The police chiefs are away just before the elections, when "police action is essential, especially following threats against politicians and public figures," another source said.

The police recently announced they would be on full alert for possible pre-election disturbances and terror attacks.

US Polish leader slams Warsaw for being too conciliatory to Jews

WARSAW (Reuter) - The head of the US Polish community has written to Poland's president saying Warsaw is being too conciliatory toward Jews who are seeking the return of property, the president's spokesman said yesterday.

The spokesman said the leader of the Polish American Congress, Edward Moskal, had sent such letters to President Aleksander Kwasniewski as well as the speakers of parliament and Cardinal Jozef Glemp, Primate of Poland's Roman Catholic church.

"It concerns that part of our foreign policy concerning so-called Jewish matters," spokesman Antoni Styrzula told a news briefing, adding that Moskal had argued "that we are too inclined to make concessions."

He declined to reveal the contents of the letter but said Kwasniewski's office would make a statement on the question of Jewish property next week and that Kwasniewski would in due course reply to Moskal.

Jewish organizations are pressing Poland for the return of property that once belonged to the country's more than three million Jews before most of them were murdered during the Holocaust.

Most such buildings and land were among assets taken over wholesale by communist authorities after the war and Poland is still working out how to compensate former owners in general.

A bill is now before parliament paving the way for some Jewish communal property such as synagogues to be restored to the tiny surviving Jewish communities in Poland.

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New Spanish premier kicks off with EU warning

MADRID (Reuters) - New Prime Minister Jose Maria Aznar and his government took up office yesterday with a thinly veiled threat of retaliation if other European Union states fail to wait for Spain on the road to a single currency.

Foreign Minister Abel Matutes, an experienced former member of the EU's executive European Commission, issued the warning in interviews with Spain's two main dailies and a leading radio station just hours before King Juan Carlos swore in the cabinet.

Aznar, a conservative 43-year-old former tax inspector who took over this weekend from long-serving Socialist premier Felipe Gonzalez, says his top aim is to cut spending so Spain can meet strict economic standards and join a single currency.

"At the current rate, we won't make it in time, so an extra effort will be needed...even so, it will not be easy," Matutes told his interviewers.

Asked what would happen if Spain were not ready to join a first wave into Economic and Monetary Union (EMU) when EU states are assessed in early 1998, he replied:

"It seems to me a reasonable idea to stop the clock of monetary union for a few months so that a few more of us can jump on to the bandwagon. It's even likely this will happen."

"What's more, I don't think France will want to leave out (of EMU) countries of the size of Spain and Italy, with competitive economies," he added.



A Bosnian Serb girl waits for food inside a Red Cross soup kitchen in the former Bosnian Serb-held district of Grbavica yesterday. (Reuters)

William Colby's body found

ROCK POINT, Maryland (AP) - Authorities identified a body found yesterday as that of retired spy master William E. Colby, who supervised the CIA's covert warfare campaign in Vietnam and then tried to clean up the agency in its darkest hours.

Sgt. Timothy Plummer of the Charles County Sheriff's Office confirmed the body was Colby's. The 76-year-old Colby, who served as Central Intelligence Agency director in the Nixon and Ford administrations, had been

missing since going out in his canoe more than a week ago.

Plummer said the body was found around 8 a.m. on the bank of the Wicomico River not far from Colby's vacation home in this southern Maryland town. A searcher in a boat found it.

Colby was likely alive when he fell into the water and got hypothermia and drowned, said Lt. Mark Sanders, a spokesman for the state Department of Natural Resources' police force. He added: "There is nothing

unusual about this case at all."

Colby had been missing since he told his wife, Sally Shelton-Colby, April 27 by phone that he was going canoeing. She was visiting her mother in Houston at the time.

The canoe was found April 28 overturned on a sandbar about a half km from his vacation home. The area is near where the Wicomico empties into the Potomac River.

Reporters were being kept some distance from the site yesterday morning. At one point, Ms. Shelton-Colby, could be seen taking a glimpse of the body, and appeared to nod her head up and down as she walked away. Last week, she had expressed the hope that Colby would turn up, injured and awaiting rescue.

Experts had said that natural processes, including changes in water temperature, eventually bring a body to the surface.

The search, which at one time included dogs, divers sonar equipment and dragging lines, had been scaled back in recent days.

As CIA director from 1973 to 1976, Colby was perfect for the job: colorless, soft-spoken, bespectacled, precise and thin. He fit this published description: "Mr. Colby never seems to have a hair or an emotion out of place."

Even Colby conceded in his 1978 memoir *Honorable Man:*

My Life in the CIA, being "the traditional gray man, so inconspicuous that he can never catch the waiter's eye in a restaurant."

Colby began his intelligence career during World War II, parachuting into France and Norway to fight the Nazis. Years later, he headed the CIA's Saigon office during and ran the pacification program and its Phoenix project aimed at rooting out the Viet Cong, the communist apparatus within South Vietnam.

The Viet Cong were severely weakened by Phoenix with more than 20,000 suspects killed, nearly 30,000 captured and 18,000 persuaded to defect.

Summoned to Washington to answer charges about Phoenix before a Senate committee in 1970, Colby defended the project but conceded there may have been "some illegal killing."

He was nominated to be director on May 10, 1973, by President Nixon, then struggling to extricate himself from Watergate.

After a major congressional investigation of the CIA, including allegations that it was involved in overseas assassination plots, illegal domestic spying, illegal eavesdropping and CIA experimentation with LSD, the president fired him and Defense Secretary James R. Schlesinger on the same day, Nov. 2, 1975.

Gutted Paris bank struggles to return to normal

PARIS (AP) - Ravaged by a spectacular fire that gutted its world headquarters, financially foundering Credit Lyonnais struggled yesterday to return to normal.

The bank said its 2,500 branch offices opened for business as usual a day after the fire, which broke out Sunday in a trading room housing computers and quickly burned out of control.

No safes were damaged by the flames or by the hundreds of thousands of liters of water sprayed by firefighters in their 16-hour battle to control the fire, a bank spokesman said yesterday.

Firefighters didn't declare the blaze officially out until 12:30 a.m. yesterday. Fifty-two firefighters and four civilians suffered burns or smoke inhalation. The fire destroyed most of the stately marble building near the famed Place de l'Opera in the heart of Paris - another blow to the state-owned bank reeling from financial troubles.

Once France's biggest bank, Credit Lyonnais expanded too rapidly in the late 1980s and took heavy losses from ill-fated movie, industrial and real estate ventures.

The French government bailed it out last year at an estimated cost of 100 billion francs (NIS 60 billion), forcing a top-to-bottom restructuring.

"At a period when we were just starting to recover, we didn't need this," bank chairman Jean Peyrelevade told French TV.

Peyrelevade said the building, valued at about 1.5 billion francs (NIS 900 million), was insured. He said bank clients shouldn't worry and assured "normal operations" yesterday, shifting vital functions to offices in other European cities.

He said bank executives would have to decide whether to rebuild the headquarters as it was or find "another solution."

Marc Pohl, head of capital markets, said about 50 workers were handling international deals in a backup location in Paris, and that about 20 traders in London were helping out. "The situation is improving," he said.

All of the bank's computer records are safe because backups are kept in other locations, said Credit Lyonnais spokesman Nicolas Chaine. But the 2,500 employees who normally work at the headquarters stayed home yesterday as officials mopped up the mess.

Investigators were trying to determine what caused the fire. There were no indications it was set, Philippe Massoni, a police official, said an electrical short-circuit may have been to blame.

Australian leaders call for end to TV violence

CANBERRA (Reuters) - Australian politicians yesterday called for a crackdown on violent television and video games as well as tighter gun controls following last week's massacre at Port Arthur that left 35 people dead.

Prime Minister John Howard told parliament the government wanted a ban on all automatic and semi-automatic guns. In a six-month amnesty owners could surrender them, with mandatory jail for those who didn't.

But the new gun laws to be worked out with state leaders on Friday would not be the only solution, he said.

"The causes of that dreadful event lie deeper than simply the inadequacy of our gun control laws," Howard said. "They go to aspects of the kind of society we are, they go to issues concerning violence on screen and videos."

"They also...raise legitimate questions about contemporary attitudes towards the treatment of mental health problems."

A lone gunman armed with a high-powered rifle killed 35 people last week at the historic Port Arthur convict site 50 km southeast of Hobart in Tasmania.

It was Australia's worst mass murder since atrocities committed against Aborigines last century.

Queensland state Police Minister Russell Cooper, from the conservative National Party, also called for investigations of violent television.

Language barrier lands Turks in jail for silliness

DNIPROPETROVSK, Ukraine (AP) - Two Turkish businessmen were detained in Ukraine for "accosting" residents with silly signs after getting lost on the subway, newspapers reported yesterday.

The two young men, in Ukraine upon invitation by local business partners, had left their hotel to see the sights of Dnipropetrovsk in central Ukraine, when they lost their way. The visitors did not speak Ukrainian or Russian, newspapers said.

They approached passersby to ask for help, showing handwritten signs which the Turks thought indicated the name of their hotel and the nearest subway station.

They had carefully copied down the Cyrillic letters from signs outside their hotel and subway stop, but failed to understand their meaning, the report said.

One sign said "Sorry, no vacancies," the other said "Entrance."

Subway police detained the men for causing a disturbance and "accosting young women," the newspaper said. They were released two hours later, when their translators were found.

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DAVID BAR-ILLAN

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Jerusalem Post

Russian accused of spying for Britain

MOSCOW (AP) - Russia's counter-intelligence service said yesterday its agents have captured a government employee spying for the British, and that several British diplomats would be expelled in connection with the case.

The suspect had "direct access" to classified information and confessed to passing on information of "a political, defense and strategic nature," said Alexander Zdanovich, chief spokesman for the Federal Security Service.

He said the man would be charged with treason, which is punishable by death.

The Federal Security Service (FSB), which is Russia's counter-intelligence and domestic security agency, said the suspect was caught "red-handed" with unspecified espionage gear while making contact with "his headquarters."

The man confessed to being recruited by the British in the mid-1990s and revealed his contacts with British agents, the FSB said.

As a result, several "British intelligence officers who worked under the embassy cover" would be expelled from Russia, it said.

The suspect's name was not released. British officials in Moscow declined comment although the British ambassador, Sir Andrew Wood, was summoned to the Foreign Ministry Monday for what Zdanovich called a "a resolute protest."

In London, the Foreign Office issued a statement saying: "We regard the kind of allegations being made as completely unjustified," and warned of retaliation for the possible expulsions of diplomats.

"If the unjustified expulsions of British Embassy officials are confirmed, an appropriate response will follow," the Foreign Office said.

The ITAR-Tass news agency said the suspect was arrested in April and was being held at Lefortovo Prison in Moscow. News reports said he was motivated by greed and was supposedly well paid by his handlers.

The case is just the latest in a long history of fit-for-tat spying accusations and expulsions.

Earlier this year, Russia kicked out a British businessman for suspected spying. Last summer, Britain asked a Russian journalist in London to leave the country because his presence "was not conducive to the public good in terms of national security."

And in 1994, Russia expelled the head of the Moscow office of MI6, the British intelligence agency. In return, Britain expelled a senior Russian diplomat.

Ken Robertson of Reading University, an academic who specializes in intelligence, said one goal of British spying in Russia is to gather information on weapons of mass destruction.



Street fighters with Charles Taylor's NPFL defend their position in Monrovia yesterday. (Reuters)

US troops open fire in Monrovia as rival forces' gunfire persists

MONROVIA (Reuters) - US marines opened fire to protect their embassy in Liberia's capital yesterday and sporadic shooting echoed around the city after the deadline for a truce promised by dominant faction leader Charles Taylor.

Mediators focused their efforts on rallying support for a West African summit on Liberia in Ghana tomorrow. Foreign ministers were due to meet in Ghana's capital Accra today.

US marines opened fire during a morning of shooting in Monrovia. "Some fire was directed at one of the marine emplacements and they did fire back," Ambassador William Milam told reporters. He said there was no sign of casualties.

US marines shot dead three Liberians on April 30 after a 10-day truce collapsed and fighting moved close to the embassy.

Sporadic shooting continued yesterday after a midday deadline set for a truce promised by Taylor, who launched the war in 1989 and whose forces have been at the center of a month-long stand-off with ethnic Krahn rebels.

Krahn fighters left their base in the main army barracks when it came under attack in heavy morning fighting, and pushed back Taylor's men from city center positions.

Taylor, a vice-chairman on the transitional ruling Council of State, announced a unilateral truce on British Broadcasting Corporation radio to coincide with the talks in Ghana.

Commanders of his National Patriotic Front of Liberia (NPFL) and its ULIMO-K allies said they were aware of the truce but would defend themselves if fired upon. "How can we observe the cease-fire when they're still shooting at us?" one commander, who gave his name as Col. Tito, said.

Taylor said the peace process was on track but he would not attend the Accra summit. He said the truce had been agreed in telephone negotiations with mediators from Nigeria and Guinea. Several cease-fires have come and gone.

Freed American slaves set up Liberia as Africa's first independent republic in 1847. The war has killed more than 150,000 people, driven over half the pre-war population of 2.5 million from their homes and wrecked the economy.

Sunday saw some of the worst fighting since battles broke out a month ago between Taylor's men and Krahn loyal to Roosevelt Johnson, whom the Americans flew out for the talks.

Sunday's fighting set the city ablaze and rubble and telegraph poles were still smoldering yesterday morning.

Troops from the West African ECOMOG peacekeeping force intervened on Sunday to drive militia fighters off the streets.

"The Krahn set the houses alight and used the smoke as cover to attack," said one man still living in the city center who asked not to be named. "They looted everything and left."

A dead body lay amid debris and empty beer cans littering Randall Street outside newly looted Stop and Shop supermarket.

Taylor's men milled around the Mamba Point diplomatic area yesterday, loading their weapons and cleaning their stolen cars.

Fighting broke out on April 6 when the ruling council and gunmen loyal to Taylor and fellow council vice-chairman Alhaji Kromah tried to arrest Johnson for murder.

The Americans, who have an amphibious battle group off Monrovia, have airlifted out more than 2,000 foreign nationals.

Thousands of Liberians are sheltering in a compound near the US embassy. Thousands more are trying to flee by sea. About 2,000 left on Sunday on a rusty, overloaded Nigerian freighter.

The Accra talks will discuss a new disarmament and election timetable and how to reinforce the ECOMOG peacekeepers.

Yeltsin: Election will be held on time

MOSCOW (AP) - Trying to quash doubts about his government's commitment to democracy, Boris Yeltsin said yesterday that next month's presidential election will be held on schedule and chided a top aide for suggesting it be postponed.

His remarks came after his security chief and confidant, Lt. Gen. Alexander Korzhakov, confirmed what many suspected Kremlin officials were thinking by recommending the June 16 vote be put off to avoid "new bloodshed."

Politicians from liberals to hard-liners denounced his comments as a self-serving tactic that showed the Kremlin fears it will lose the election to Communist leader Gennady Zyuganov.

"I trust in the wisdom of Russian voters," Yeltsin said. "That's why elections will be held at the time determined by the constitution."

The president, who has promised numerous times that the election will be held on time, said he told Korzhakov "not to meddle in politics and not to make such statements any more."

But in remarks carried by the Interfax news agency, he made it clear that he does not think Korzhakov's fears are misplaced.

"Several people, not only Korzhakov, believe that Zyuganov's victory would be the beginning of a civil war," Yeltsin emphasized.

Russian law requires the presidential election to be held this June, and there are no legal grounds to postpone it, the Central Election Commission reiterated yesterday.

In addition, any postponement would stir widespread anger among Russians and might jeopardize international political and financial support.

In Washington, for instance, presidential spokesman Mike McCurry said the Clinton administration was concerned with Korzhakov's remarks, "but also welcomes the immediate repudiation of those remarks by President Yeltsin."

One of Yeltsin's main tactics during an aggressive campaign has been to raise a "red scare" with voters, portraying the Communists as capable of inflicting fatal damage on the nation's political and market reforms.

The Communists, for their part, accuse Yeltsin of plotting to fix or scrap the election.

Korzhakov said in an interview published Sunday in *The Observer* newspaper in London that elections will inevitably lead to violence.

"A lot of influential people are in favor of postponement, and I'm in favor of it too, because we need stability," he said.

Korzhakov said Sunday night that his comments reflected his personal opinions. But they raised an immediate alarm in the tense political atmosphere.

Ultraroyalist Vladimir Zhirinovskiy said Korzhakov's remarks show that top officials in the Russian government know they are losing.

"They will stage provocations and bloodshed. They are ready to strangle, bribe, and stage provocations in order to stay in power," he told a rally of about 1,000 people in St. Petersburg yesterday.

Burundi army blames massacre on Hutu rebels

BUJUMBURA (Reuters) - Burundi's Tutsi-dominated army changed its version yesterday about the year's worst massacre and blamed Hutu rebels for a slaughter in which humanitarian sources say 235 Hutu civilians were killed.

"Despite what we said earlier, it now seems that there was an incident at Buhoro," defense ministry spokesman Lieutenant-Colonel Isaac Nibizi told Reuters.

"Following a conflict between the military and the (Hutu) rebels, the rebels continued to use the local civilian population as a shield and it was then that this event (massacre) occurred," he said.

Nibizi, speaking by telephone after U.N. monitors finally decided to visit the scene, did not confirm that soldiers killed the civilians.

Earlier yesterday he denied that any incident occurred at Buhoro on April 26. On Sunday humanitarian sources provided a detailed account of the slaughter of 235

civilians, mainly women and children, and said soldiers were responsible.

In his later comments Nibizi said he did not know how many people were killed but expected the figures would be available following the return of UN human rights monitors.

The army earlier denied any knowledge of the massacre while the senior United Nations official in Burundi kept silent on the worst reported mass killing this year.

The UN special representative in Burundi, Marc Faguy, refused to discuss the matter with journalists on Monday.

The UN monitors left for the area a day after news of the incident was published but at least six days after reports of a major massacre began circulating in Bujumbura.

"How could this have happened? You can hide one or two people but not 200 plus. There would have to be a grave somewhere," Nibizi had told foreign

reporters earlier.

Humanitarian sources said on Sunday that 136 women, 37 children and 12 men were killed by men of Burundi's army, which is overwhelmingly recruited from the Tutsi army, in apparent reprisal for a raid by Hutu rebels.

Only 11 of the victims were killed by gunshots. The rest were slain by bayonets, knives and machetes, the sources said.

Maroufa Diabira, head of the UN Centre for Human Rights in Bujumbura, told Reuters that three human rights monitors had been sent to investigate.

They left early yesterday for Mutoyi township close to Buhoro, he said.

On May 3 Diabira told reporters that "important meetings and security considerations" had prevented the human rights team from visiting the scene.

"We don't want investigation of one massacre to stop us from being able to investigate others," he said at the time.

The humanitarian sources, fearing for their own safety and that of survivors, refused to be quoted by name or organization by journalists who visited Buhoro during the weekend.

But the sources included witnesses to the attack, people who personally verified the body count and others who took testimony from witnesses.

The army is fighting a bush war against Hutus of Leonard Nyangoma's Forces for the Defense of Democracy (FDD).

Both sides slaughter civilians as a matter of course, diplomats say, but the army has never admitted committing any of the large massacres it has been accused of in the past three years of ethnic conflict.

Serb war crimes suspect: Charges based on lies

THE HAGUE (Reuters) - The defendant in the first trial at the UN war crimes tribunal for former Yugoslavia has said that the charges against him are based on false accusations. Dutch television reported yesterday.

Dutch television said it had spoken to the defendant Dusan Tadic by telephone on the eve of his trial and that he had said witnesses would clear his name, if allowed to testify from a remote studio in Bosnia. He planned to go on hunger strike if they were not allowed to testify from Bosnia, it added.

Dutch television news played a recording of a telephone conversation which it said it had held with Tadic.

"Absolute lies have been made about me. The prosecutor has accepted them blindly and not taken the time to investigate a single one of those accusations," Tadic said.

"If the tribunal grants our request to allow my witnesses to testify by satellite from Banja Luka, I know for sure that I will go free. But if our request is not granted, I will go on hunger strike."

A tribunal spokesman was not immediately able to verify that the voice was that of Tadic, but confirmed that he was able to make outgoing calls from the tribunal's detention center.

Tadic, 40, is to go on trial today on charges of killing, torturing, and raping Muslims and Croats in northwest Bosnia.

SA delays poll in Zulu region

CAPE TOWN (Reuters) - South Africa yesterday postponed local elections in volatile KwaZulu-Natal province from May 29 until not later than the end of June, cabinet minister Chris Fismar said.

He told reporters after a 5 1/2-hour cabinet meeting, which was originally scheduled to last just 90 minutes, that measures recommended by a special task force would be implemented to ensure a credible and peaceful poll in June.

"It was unanimously agreed that the election date be postponed to a date not later than the end of June so as to enable the implementation of the proposal of the presidential task group," he said.

Zulu Chief Mangosuthu Buthelezi, whose Inkatha Freedom Party is expected to win control of a majority of the local councils in the violence-plagued Zulu homeland province, said he went along with the decision reluctantly.

"We are just hoping that this will have a calming effect and that we are not unleashing forces which we cannot control," Buthelezi told reporters.

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Lecture: **Professor Renven Chen** Dean of Students

The Unique Challenges Facing the Israeli Student

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Israeli stocks in NY

NYSE AMEX ... Last Change
Amir 1st ... Last Change
Amir 2nd ... Last Change

NASDAQ 100 over-the-counter

Amir 1st ... Last Change
Amir 2nd ... Last Change
Amir 3rd ... Last Change

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Dollar crossrates (US)

Pound ... Last Change
DMark ... Last Change
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3 months ... Last Change
6 months ... Last Change
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Sugar No 11 (May) (ICE) ... Last Change
Wheat (May) (CBOT) ... Last Change

London commodities

Cocoa (May) (ICE) ... Last Change
Coffee (May) (ICE) ... Last Change
Brent crude oil (LAMP) ... Last Change

Spot market metals (US)

Gold spot ... Last Change
Silver spot ... Last Change

New York metal futures

Gold (May) ... Last Change
Silver (May) ... Last Change
Platinum (May) ... Last Change

London metal (ices)

Gold AM B ... Last Change
Silver AM B ... Last Change
Platinum AM B ... Last Change

TEL AVIV STOCKS

Multi-sided trading Two-sided trading

Commercial Banks
Name Price % Change
General 194.0 0.3
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IndusCO 136.0 0.3

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INTERNATIONAL STOCK PRICES

NEW YORK
Alcoa 26.875 +0.6
Alumina 26.875 +0.6
Arista 26.875 +0.6

Stocks fall on fear of rate hike

TEL AVIV STOCK MARKET

FELICE MARANZ



Two-Sided Index Maof Index

STOCKS fell for a second day yesterday, amid concern that a weakening shekel will prompt the Bank of Israel to raise interest rates in an effort to curb inflation.

The losses were offset by optimism that a weakening currency will mean rising profits for export companies, which earn in dollars and pay expenses in shekels.

The Maof Index fell 0.25 percent to 214.63 and the Two-Sided Index fell 0.15% to 204.45.

Some NIS 80 million worth of shares traded NIS 28.4m. above Friday's level and about NIS 5m. above last month's average trading level.

Declining Maof Index-listed shares included Koor Industries Ltd., which fell 0.5%, and Clal (Israel) Ltd., which fell 0.25%.

Export-oriented companies with gains included chemical companies. Israel Chemicals Ltd. rose 0.75%; Maktshimim Chemical Works Ltd. rose 0.5%; and Agan Chemical Manufacturers Ltd. rose 1.25%.

The shekel weakened by 1.493% against the dollar yesterday, falling to 2.2620. The devaluation was the biggest in one day in at least six months, according to the Bank of Israel.

The shekel traded at 3.1890 a week ago.

"The weak dollar had been preventing the Bank of Israel from really raising rates," said Shavbar Gazit, a trader at Tel Aviv firm Bitcha Securities and Investment Ltd. "Now everybody's worried about it."

State-controlled phone company Bezeq Ltd. fell 1% and investment company IDB Holdings Inc. fell 0.25%. Food manufacturer Osem Investment Ltd. fell 0.25%.

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German stocks up

WORLD MARKET ROUNDUP

LONDON (Reuters) - German equities closed trade up yesterday in a modest rebound after Friday's nearly two percent drop, but French stocks closed over a percent down under the influence of a lower Wall Street.

In the absence of British markets, closed for a holiday, the dollar remained trapped in a narrow trading range and thin activity. It was virtually unmoved by German employment data showing April jobs numbers fell by 62,000, compared with the market expectation of a 15,000 increase.

Dow falls, but rebounds from earlier steep losses

WALL STREET REPORT

NEW YORK (AP) - Stocks ended mixed yesterday, rebounding from steeper losses as some late bargain hunting offset continued nervousness about rising interest rates and inflationary pressures.

On Wall Street, the Dow Jones average of 30 industrial stocks fell 13.72 points to close at 5,464.31, rebounding from a loss of 55 earlier in the afternoon.

The Dow, which lost about 90 points last week as new signs of strong economic growth aggravated concerns about inflation, has now fallen nearly four percent from its all-time high just over a month ago.

Most broader market measures were lower too, but in keeping with the recent trend, the day's losses were steeper in the blue-chip sector than in those indexes dominated by more speculative issues.

The Nasdaq composite index and the Russell 2000, both dominated by technology and smaller-company shares, managed slight gains on the day after a late rally from those sectors.

"The market may try to rally, but the buy programs won't provide as much upside because there's some real fundamental selling," said David Boston, chief economist at Herzog, Heine, Geduld Inc. "Investors are belatedly realizing we have some underlying problems."

CURRENCY CROSS-RATES

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STERLING 2.268282 - 0.434682 68.9892 0.814447 3.379904

BOMBERS

Jihad and planning a suicide bombing, was extended for 30 days by the military court at the Erez checkpoint yesterday.

It went to Turkey to study medicine at Ankara University in 1993. Shortly thereafter he was approached by two Jihad members who asked if he were interested in going to Iran for military training. He agreed, and was given money and a ticket at the Iranian embassy in Tel Aviv, he - along with other Palestinians from the territories - was trained in weapons, demolitions, and resisting interrogation.

After completing training, various options - such as mounting an attack on Israeli tourists in Antalya, shooting down an El Al plane with a shoulder-fired missile as it was landing in Turkey, or attacking a US military base in Turkey - were discussed, but it was decided it would carry out a suicide bombing inside Israel.

He was arrested as he tried to enter Israel from Gaza and has confessed.



